

Muscatine Power and Water

Water Utility

Operating Statements and Balance Sheets

February 2008

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - February 2008

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	579,872	(0.6)	576,187	(3.2)	595,478
Power Plants	76,605	27.1	97,328	27.1	76,605
Residential	38,000	2.7	39,036	1.3	38,541
Commercial	29,500	(4.6)	28,154	(3.4)	29,150
Total Metered Customers	723,977	2.3	740,705	0.1	739,774
Rated Customers - Estimate	---	---	30	(11.8)	34
City Use, Line Loss, Cycle Billing	43,439	2.3	44,442	---	8,395
Total Water Pumped	<u>767,416</u>	2.3	<u>785,177</u>	4.9	<u>748,203</u>

Calendar Year-to-Date

	Budget Estimate	%Increase (Decrease) From Budget	This Year	%Increase (Decrease) Fr. Last Yr.	Last Year
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	1,223,167	(0.9)	1,212,124	(5.6)	1,284,128
Power Plants	168,948	21.7	205,585	21.7	168,947
Residential	79,000	(0.7)	78,435	(0.1)	78,510
Commercial	60,500	(4.2)	57,980	(1.1)	58,621
Total Metered Customers	1,531,615	1.5	1,554,124	(2.3)	1,590,206
Rated Customers - Estimate	---	---	60	(10.4)	67
City Use, Line Loss, Cycle Billing	91,897	1.5	93,247	---	283
Total Water Pumped	<u>1,623,512</u>	1.5	<u>1,647,431</u>	3.6	<u>1,590,556</u>

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - February 2008

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Sales of Water</u>					
Contract Customers	\$165,270	(0.4)	\$164,674	0.3	\$164,210
Power Plants	25,921	17.4	30,424	11.6	27,260
Residential	101,460	1.5	103,013	6.0	97,211
Commercial	<u>31,418</u>	<u>(2.5)</u>	<u>30,630</u>	<u>2.4</u>	<u>29,910</u>
Water Sales	<u>324,069</u>	<u>1.4</u>	<u>328,741</u>	<u>3.2</u>	<u>318,591</u>
<u>Other Revenue</u>					
Penalty Revenue	467	(16.9)	388	10.2	352
Merchandise & Job Sales-Net	433	(20.3)	345	56.8	220
Miscellaneous Revenue	<u>631</u>	<u>(4.4)</u>	<u>603</u>	<u>13.8</u>	<u>530</u>
Total Other Revenue	<u>1,531</u>	<u>(12.7)</u>	<u>1,336</u>	<u>21.2</u>	<u>1,102</u>
Operating Revenue	<u>325,600</u>	<u>1.4</u>	<u>330,077</u>	<u>3.2</u>	<u>319,693</u>
<u>Operating Expense</u>					
Operation	235,431	0.9	237,639	3.5	229,504
Maintenance	38,086	0.9	38,442	(12.7)	44,032
Depreciation	<u>48,906</u>	<u>(4.1)</u>	<u>46,878</u>	<u>2.4</u>	<u>45,766</u>
Total Operating Expense	<u>322,423</u>	<u>0.2</u>	<u>322,959</u>	<u>1.1</u>	<u>319,302</u>
Operating Income	3,177	---	7,118	---	391
Interest Income	<u>8,080</u>	<u>(30.2)</u>	<u>5,637</u>	<u>(33.6)</u>	<u>8,488</u>
Net Income Before Capital Contributions	11,257	13.3	12,755	43.7	8,879
Capital Contributions	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Change in Net Assets	11,257	13.3	12,755	43.7	8,879
Beginning Net Assets	<u>12,302,315</u>		<u>12,277,478</u>		<u>11,963,938</u>
Ending Net Assets	<u>\$12,313,572</u>		<u>\$12,290,233</u>		<u>\$11,972,817</u>
Percent to Total Income	3.5		3.9		2.8

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - February 2008

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Sales of Water</u>					
Contract Customers	\$339,340	(0.5)	\$337,670	(1.0)	\$340,982
Power Plants	54,201	15.3	62,503	10.0	56,807
Residential	206,010	0.3	206,612	5.5	195,891
Commercial	63,968	(2.7)	62,265	3.7	60,015
	<u>663,519</u>	0.8	<u>669,050</u>	2.3	<u>653,695</u>
<u>Other Revenue</u>					
Penalty Revenue	933	(43.4)	528	11.9	472
Merchandise & Job Sales-Net	866	(62.7)	323	---	84
Miscellaneous Revenue	1,262	7.9	1,362	(51.3)	2,799
	<u>3,061</u>	(27.7)	<u>2,213</u>	(34.0)	<u>3,355</u>
Total Other Revenue	<u>3,061</u>	(27.7)	<u>2,213</u>	(34.0)	<u>3,355</u>
Operating Revenue	<u>666,580</u>	0.7	<u>671,263</u>	2.2	<u>657,050</u>
<u>Operating Expense</u>					
Operation	479,610	0.5	481,924	2.0	472,663
Maintenance	79,852	37.0	109,393	34.6	81,298
Depreciation	97,813	(4.1)	93,756	2.4	91,532
	<u>657,275</u>	4.2	<u>685,073</u>	6.1	<u>645,493</u>
Total Operating Expense	<u>657,275</u>	4.2	<u>685,073</u>	6.1	<u>645,493</u>
Operating Income (Loss)	9,305	---	(13,810)	---	11,557
Interest Income	16,328	(1.4)	16,104	(8.4)	17,590
	<u>16,328</u>	(1.4)	<u>16,104</u>	(8.4)	<u>17,590</u>
Income before Capital Contributions	25,633	(91.1)	2,294	(92.1)	29,147
Capital Contributions	---	---	---	---	---
	<u>---</u>	---	<u>---</u>	---	<u>---</u>
Change in Net Assets	25,633	(91.1)	2,294	(92.1)	29,147
Beginning Net Assets	<u>12,287,939</u>		<u>12,287,939</u>		<u>11,943,670</u>
Ending Net Assets	<u>\$12,313,572</u>		<u>\$12,290,233</u>		<u>\$11,972,817</u>
Percent to Total Income	3.8		0.3		4.4

Muscatine Power and Water - Water Utility
Balance Sheets
February 2008

ASSETS

	<u>2008</u>	<u>2007</u>
Current Assets:		
Cash	439,832	631,558
Investments	1,624,347	1,337,421
Receivables:		
Consumer Accounts	404,049	379,470
Interest	15,554	28,900
Inventories	237,440	211,997
Prepaid Expenses	<u>21,498</u>	<u>24,309</u>
Total Current Assets	<u>2,742,720</u>	<u>2,613,655</u>
Property and Equipment:		
At Cost	20,655,719	20,012,328
Less Accumulated Depreciation	<u>8,400,290</u>	<u>7,987,826</u>
Net Property and Equipment	<u>12,255,429</u>	<u>12,024,502</u>
TOTAL ASSETS	<u><u>\$14,998,149</u></u>	<u><u>\$14,638,157</u></u>

Muscatine Power and Water - Water Utility
Balance Sheets
February 2008

LIABILITIES AND NET ASSETS

	<u>2008</u>	<u>2007</u>
Current Liabilities:		
Accounts Payable	\$134,099	\$113,563
Pension Provision	7,460	7,994
Health Insurance Provision	135,943	120,684
Intercompanies Payable	6,265	6,708
Consumer Advances for Construction	227,319	69,564
Accrued Payroll	25,535	17,795
Accrued Vacation	74,093	69,891
Miscellaneous Accrued Expenses	33,538	36,793
Miscellaneous Deferred Credits	<u>10,000</u>	<u>10,000</u>
Total Current Liabilities	<u>654,252</u>	<u>452,992</u>
Long-Term Liabilities:		
Consumer Advances for Construction	<u>2,053,664</u>	<u>2,212,348</u>
Net Assets:		
Invested in capital assets	9,974,446	9,742,590
Unrestricted	<u>2,315,787</u>	<u>2,230,227</u>
Total Net Assets	<u>12,290,233</u>	<u>11,972,817</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$14,998,149</u></u>	 <u><u>\$14,638,157</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
February 2008

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Water sales	\$330,574	\$667,839
Miscellaneous sources	2,417	6,106
Cash paid to/for:		
Suppliers	(118,304)	(449,270)
Employees payroll, taxes and benefits	<u>(137,171)</u>	<u>(286,861)</u>
Net cash flows from operating activities	<u>77,516</u>	<u>(62,186)</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	<u>(19,615)</u>	<u>(34,878)</u>
Net cash flows from capital and related financing activities	<u>(19,615)</u>	<u>(34,878)</u>
Cash flows from investing activities:		
Interest received on investments	1,906	2,557
Accrued interest purchased	---	---
Amortization/accretion of investments	2,049	4,374
Mark to market	<u>(2,049)</u>	<u>971</u>
Net cash flows from investing activities	<u>1,906</u>	<u>7,902</u>
Net increase (decrease) in cash and investments	<u>59,807</u>	<u>(89,162)</u>
Cash and investments at beginning of period	<u>2,004,372</u>	<u>2,153,341</u>
Cash and investments at end of period	<u><u>\$2,064,179</u></u>	<u><u>\$2,064,179</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
February 2008

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$7,118	(\$13,810)
Noncash item in operating income:		
Depreciation of utility plant	46,878	93,756
Changes in assets and liabilities:		
Consumer accounts receivable	3,341	3,568
Inventories	807	(9,973)
Prepaid and deferred expenses	1,428	(7,082)
Accounts payable	9,048	(108,994)
Pension provision	3,730	7,460
Health insurance provision	(4,093)	310
Intercompany payable	(5,032)	(1,043)
Consumer advances for construction	---	---
Accrued payroll	4,029	(35,542)
Accrued vacation	3,350	8,297
Miscellaneous accrued expenses	6,912	867
	<hr/>	<hr/>
Net cash flows from operating activities	<u>\$77,516</u>	<u>(\$62,186)</u>

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - February 2008

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision	\$1,978		\$2,183		\$2,048	
Operation Labor and Expenses	1,165		1,358		1,497	
Miscellaneous Expense	50		646		---	
Maintenance of Wells	---		---		---	
Maintenance of Supply Mains	1,198		746		---	
Depreciation	4,587		4,587		4,580	
Total Source of Supply Expense	8,978	2.8	9,520	2.9	8,125	2.5
<u>Pumping</u>						
Operation Supervision	2,257		2,541		2,367	
Fuel or Power Purchased	70,400		65,257		64,759	
Pumping Labor and Expenses	4,957		3,833		3,869	
Miscellaneous Expense	380		306		491	
Maintenance of Structures	1,559		341		129	
Maintenance of Pumping Equipment	5,724		3,235		2,155	
Depreciation	3,696		3,675		3,536	
Total Pumping Expense	88,973	27.3	79,188	24.0	77,306	24.2
<u>Water Treatment</u>						
Operation Supervision	2,517		2,656		2,461	
Chemicals	14,167		12,762		14,076	
Operation Labor and Expenses	11,321		12,292		10,966	
Miscellaneous Expense	683		550		976	
Maintenance of Structures	361		2,315		1,368	
Maintenance of Purification Equip.	2,307		8,771		1,178	
Depreciation	2,340		2,340		2,324	
Total Water Treatment Expense	33,696	10.3	41,686	12.6	33,349	10.4
<u>Distribution</u>						
Operation Supervision	2,401		2,349		2,464	
Storage Facilities Expense	1,244		2,065		1,018	
Trans. & Distr. Lines Expense	3,179		7,730		2,374	
Meter Expense	9,337		10,390		10,058	
Consumer Installation Expense	4,147		1,815		3,696	
Miscellaneous Expense	4,245		5,829		6,348	
Vehicle Expense	3,096		4,600		3,445	
Maintenance:						
Supervision	4,197		3,674		3,967	
Structures	169		534		36	
Reservoirs and Standpipes	169		11		12	
Mains	10,488		5,398		28,772	
Valves	6,171		6,236		700	
Meters	1,182		2,421		515	
Hydrants	1,464		1,056		501	
Miscellaneous Plant	1,929		2,281		2,964	
Vacation, Holiday, Sick Leave	8,491		9,221		8,856	
Depreciation	26,376		26,430		25,338	
Total Distribution Expense	\$88,285	27.1	\$92,040	27.9	\$101,064	31.6

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - February 2008

<u>Source of Supply</u>	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$3,898		\$4,424		\$4,353	
Operation Labor and Expenses	2,330		2,513		2,745	
Miscellaneous Expense	100		1,556		---	
Maintenance of Wells	---		21,189		---	
Maintenance of Supply Mains	2,395		2,410		4,385	
Depreciation	9,174		9,174		9,160	
Total Source of Supply Expense	17,897	2.7	41,266	6.1	20,643	3.1
<u>Pumping</u>						
Operation Supervision	4,533		5,188		4,998	
Fuel or Power Purchased	143,600		133,447		135,340	
Pumping Labor and Expenses	9,739		9,279		8,640	
Miscellaneous Expense	760		549		831	
Maintenance of Structures	2,888		552		326	
Maintenance of Pumping Equipment	11,698		14,266		6,421	
Depreciation	7,392		7,350		7,072	
Total Pumping Expense	180,610	27.1	170,631	25.4	163,628	24.9
<u>Water Treatment</u>						
Operation Supervision	5,033		5,419		5,207	
Chemicals	28,333		26,193		29,429	
Operation Labor and Expenses	23,469		23,929		24,559	
Miscellaneous Expense	1,366		950		1,241	
Maintenance of Structures	800		5,865		2,667	
Maintenance of Purification Equip.	4,615		14,494		4,490	
Depreciation	4,681		4,680		4,648	
Total Water Treatment Expense	68,297	10.2	81,530	12.1	72,241	11.0
<u>Distribution</u>						
Operation Supervision	4,809		4,864		5,058	
Storage Facilities Expense	2,627		3,528		2,270	
Trans. & Distr. Lines Expense	5,905		12,186		5,880	
Meter Expense	18,853		19,653		17,220	
Consumer Installation Expense	8,262		4,628		6,104	
Miscellaneous Expense	8,650		12,592		12,279	
Vehicle Expense	6,193		9,746		6,638	
Maintenance:						
Supervision	8,472		7,694		7,920	
Structures	338		1,580		121	
Reservoirs and Standpipes	338		34		149	
Mains	23,750		12,776		31,035	
Valves	12,071		12,213		12,635	
Meters	2,463		3,406		2,098	
Hydrants	2,928		4,140		902	
Miscellaneous Plant	3,858		6,287		4,707	
Vacation, Holiday, Sick Leave	20,961		22,740		23,645	
Depreciation	52,751		52,860		50,676	
Total Distribution Expense	\$183,229	27.5	\$190,927	28.4	\$189,337	28.8

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - February 2008

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$2,344</u>	0.7	<u>\$1,463</u>	0.4	<u>\$709</u>	0.2
<u>Consumer Accounts</u>						
Supervision	829		929		842	
Meter Reading Expense	3,139		3,251		3,638	
Consumer Records and Collection	10,759		9,851		10,143	
Uncollectible Accounts Expense	267		267		359	
Vacation, Holiday, Sick Leave	<u>1,144</u>		<u>1,467</u>		<u>1,364</u>	
Total Consumer Accounts Expense	<u>16,138</u>	5.0	<u>15,765</u>	4.8	<u>16,346</u>	5.1
<u>Administrative and General</u>						
Administrative and General Salaries	13,150		12,583		11,574	
Office Supplies and Expenses	1,208		1,122		1,409	
Outside Services Employed	2,892		973		1,426	
Property Insurance	713		682		789	
Casualty Ins, Injuries & Damages	2,716		7,973		2,408	
Employee Pensions and Benefits	39,002		38,372		42,524	
Fringe Benefits Charged to Constr.	(4,075)		(760)		(1,614)	
Miscellaneous General Expense	8,838		4,153		5,617	
Rents	5,043		5,043		5,103	
Maintenance of General Plant	1,168		1,423		1,735	
Vacation, Holiday, Sick Leave	1,447		1,887		1,444	
Depreciation	<u>11,907</u>		<u>9,846</u>		<u>9,988</u>	
Total Administrative and General	<u>84,009</u>	25.8	<u>83,297</u>	25.2	<u>82,403</u>	25.8
Total Operating Expense	<u>\$322,423</u>		<u>\$322,959</u>		<u>\$319,302</u>	
Percent to Operating Revenue		99.0		97.8		99.9

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - February 2008

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	<u>\$3,310</u>	0.5	<u>\$3,337</u>	0.5	<u>\$940</u>	0.1
<u>Consumer Accounts</u>						
Supervision	1,658		1,890		1,769	
Meter Reading Expense	6,387		6,437		7,093	
Customer Records and Collection	21,790		22,390		20,311	
Uncollectible Accounts Expense	533		535		718	
Vacation, Holiday, Sick Leave	<u>2,879</u>		<u>3,333</u>		<u>3,121</u>	
Total Consumer Accounts Expense	<u>33,247</u>	5.0	<u>34,585</u>	5.2	<u>33,012</u>	5.0
<u>Administrative and General</u>						
Administrative and General Salaries	26,961		26,353		24,676	
Office Supplies and Expenses	2,675		2,936		3,347	
Outside Services Employed	6,202		1,760		3,431	
Property Insurance	1,426		1,365		1,577	
Casualty Ins, Injuries & Damages	5,432		8,095		6,570	
Employee Pensions and Benefits	79,671		78,286		82,968	
Fringe Benefits Charged to Constr.	(7,328)		(2,001)		(3,893)	
Miscellaneous General Expense	14,931		9,559		10,664	
Rents	10,086		10,086		10,206	
Maintenance of General Plant	3,238		2,487		3,442	
Vacation, Holiday, Sick Leave	3,576		4,179		2,728	
Depreciation	<u>23,815</u>		<u>19,692</u>		<u>19,976</u>	
Total Administrative and General	<u>170,685</u>	25.6	<u>162,797</u>	24.3	<u>165,692</u>	25.2
Total Operating Expense	<u><u>\$657,275</u></u>		<u><u>\$685,073</u></u>		<u><u>\$645,493</u></u>	
Percent to Operating Revenue		98.6		102.1		98.2

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - February 2008

	<u>2008</u>		<u>2007</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.419	0.444	0.426	0.431
Cost Per 1,000 Gallons	<u>0.411</u>	<u>0.436</u>	<u>0.427</u>	<u>0.432</u>
Margin	<u>0.007</u>	<u>0.008</u>	<u>(0.001)</u>	<u>(0.001)</u>
	<u>2008</u>	<u>2007</u>		
Maximum Daily Water Pumped (1,000 gallons)	32,452	30,276		
Date of Maximum	02/09	02/05		

Calendar Year-to-Date

	<u>2008</u>		<u>2007</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.406	0.430	0.411	0.411
Cost Per 1,000 Gallons	<u>0.416</u>	<u>0.441</u>	<u>0.406</u>	<u>0.406</u>
Margin	<u>(0.010)</u>	<u>(0.010)</u>	<u>0.005</u>	<u>0.005</u>
	<u>2008</u>	<u>2007</u>		
Maximum Daily Water Pumped (1,000 gallons)	32,523	32,094		
Date of Maximum	01/08	01/04		

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,464	8,398
Commercial	<u>1,093</u>	<u>1,084</u>
Total	<u><u>9,561</u></u>	<u><u>9,486</u></u>